

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

REPORT

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Deputy Leader, majority party  
A. Shubuko

THE AUDITOR-GENERAL

ON

INFRASTRUCTURE FINANCE AND PUBLIC  
PRIVATE PARTNERSHIPS PROJECT -  
IDA CREDIT NO.5157-KE

FOR THE YEAR ENDED  
30 JUNE, 2023

THE NATIONAL TREASURY





**PROJECT NAME: INFRASTRUCTURE FINANCE PUBLIC PRIVATE  
PARTNERSHIPS (IFPPP)**

**IMPLEMENTING ENTITY: THE NATIONAL TREASURY AND ECONOMIC  
PLANNING**

**CREDIT NUMBER: 51570- KE**

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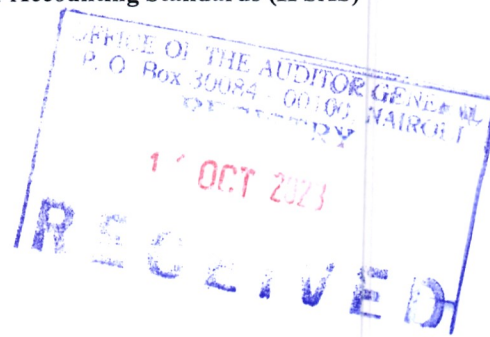
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE, 2023**

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**Prepared in accordance with the Cash Basis of Accounting Method under the International Public  
Sector Accounting Standards (IPSAS)**





***Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023***

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**1. Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
PPP	Public Private Partnerships
IFPPP	Infrastructure Finance Public Private Partnerships
Comparative FY	Financial year preceding the current financial year.

**2. Project Information and Overall Performance**

**2.1 Name and registered office**

**Name**

The project's official name is **Infrastructure Finance Public Private Partnerships (IFPPP) Project**

**Objective**

The key objective of the project is **to improve the enabling environment to generate a Pipeline of bankable Public Private Partnerships (PPP) projects**

**Address**

The project headquarters offices are at:

Reinsurance Plaza,6th Floor,

Taifa Road

Nairobi

KENYA.

The address of its registered office is:

P.O.BOX 30007-00100

NAIROBI

Tel: 020 -2732080

Email: [info@pppunit.go.ke](mailto:info@pppunit.go.ke).

**Contacts:** The following are the project contacts:

Telephone: (254) 020-2732080

E-mail: [info@pppunit.go.ke](mailto:info@pppunit.go.ke)

Website: [www.pppu.go.ke](http://www.pppu.go.ke)

## 2 Project information and overall performance (continued)

### 2.2 Project Information

Project Start Date:	The project start date is 11 <sup>th</sup> February, 2013
Project End Date:	The Project end date is 30th June, 2024
Project Coordinator:	The Project Coordinator is Director General/PPP
Project Sponsor:	The project sponsor is the International Development Association (IDA)

### 2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury and Economic Planning
Project number	51570 –KE
Strategic goals of the project	<b>Overall Objective-</b> to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions. <b>Specific Objective-</b> to improve the enabling environment to generate a pipeline of bankable PPP projects.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: <ul style="list-style-type: none"> <li>(i) Support to PPP institution</li> <li>(ii) Legal and regulatory reform</li> <li>(iii) Institutional development for Financial Products</li> <li>(iv) PPP Pipeline preparation</li> <li>(v) Improvements to Fiscal Commitments and Contingent Liability Risk Management Framework</li> <li>(vi) Support to project management</li> </ul>
Other important background information of the project	By helping to strengthen the PPP framework, the IFPPP APL will assist GoK to develop a solid foundation to systematically prepare PPPs and realize the benefits of PPPs more effectively. This will foster increased private investments in infrastructure, increased employment opportunities, improved service delivery to enterprises and the population in general, improved fiscal impact on Government from better project preparation, more balanced risk allocation, increased transparency, wider quality control, greater efficiency, and enhanced

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	<p>financial sector support. This framework will enable an increase in the availability and quality of infrastructure in different sectors to boost enterprise growth and productivity and improve the well-being of Kenyans. The current IFPPP APL1 project period was extended to October 2022 and again to June 2023. The GOK requested for an additional USD 50 million World Bank funding for IFPPP-Additional Financing (IFPPP-AF) project. The funding is for the period 2017-2022. The funding for IFPPP-AF was signed on 7<sup>th</sup> August, 2017 and the project became effective from 21<sup>st</sup> December, 2017.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <p><b>COMPONENT 1: INSTITUTIONAL SUPPORT AND REGULATORY REFORM</b></p> <p><b>(i) Subcomponent 1A – Support to PPP Institutions</b>  The objectives of this sub-component are to support the establishment and functioning of the PPP Unit at the National Treasury and PPP Nodes in selected line Ministries and to build the capacity of GoK stakeholders to implement the PPP program through training, experience exchange, technical assistance, awareness and communication programs.</p> <p><b>b) Subcomponent 1B – Legal and Regulatory Reform</b>  The objective of this sub-component is to support PPP policy dialogue and implementation of the PPP Act, including preparation and adoption of the Regulations and effective implementation.</p> <p><b>Subcomponent 1C – Institutional Development for Financial Products and PPP Approaches</b>  The objective of this sub-component is to support institutional arrangements for a range of financing instruments such as viability gap funding, guarantees, infrastructure funds, financial intermediary lending facilities and development of local capital markets.</p> <p><b>COMPONENT 2: PPP PIPELINE PREPARATION</b>  The objective of this component is to assist contracting authorities with ensuring that the first projects to come before the PPP Committee are well prepared, bankable and take into account lessons learned from previous PPP projects, the privatization program in Kenya and regional and international experience.</p> <p><b>COMPONENT 3: IMPROVEMENTS TO FISCAL COMMITMENT AND CONTINGENT LIABILITY (FCCL) RISK MANAGEMENT FRAMEWORK</b>  The objective of this component is to provide support and guidance to the National Treasury and other relevant agencies on the fiscal commitment and risk framework associated with infrastructure, with emphasis on contingent liabilities from PPPs.</p>

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	<p><b>COMPONENT 4: SUPPORT FOR PROGRAM MANAGEMENT</b> A Project Implementation Unit (PIU) was established within the National Treasury from inception of the Project to provide the fiduciary safeguards, monitoring and evaluation (M&amp;E) expertise required for the implementation of the IFPPP project in accordance with Bank policies and requirements.</p>
Project duration	11 Years

## **Project Information and Overall Performance (Continued)**

### **2.4 Bankers**

#### **a) Special Deposit Account**

Kenya Commercial Bank Ltd  
University Way Branch  
University Way  
**NAIROBI.**  
IDA Credit No. 5157-KE – Account No. 1136321365

#### **b) Local Project Account**

Kenya Commercial Bank Ltd  
University Way Branch  
University Way  
**NAIROBI.**

IFPPP – Account No. 1138915874

### **2.5 Independent Auditor**

The project is audited by the:

The Auditor General

Anniversary Towers

University Way/ Monrovia Street

**NAIROBI.**

### **2.6 Roles and Responsibilities**

#### **Project Governance**

The Project's governance framework requires the stakeholders to uphold the highest professional, ethical, moral and legal standards. This is achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Project Design Implementation Manual and the Finance and Procurement Manuals.

#### **The Public Private Partnerships Committee (PPPC)**

This Committee is responsible for overseeing the origination approval and implementation of the Project in line with its mandate in the PPP Act 2021 and PFF Regulations 2017 which includes, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies. It is also the top policy organ of PPPD.

#### **International Development Association (IDA)**

IDA under the World Bank is the project sponsor. They are responsible for reviewing and approving the project's withdrawal applications, expenditure justifications, no objection requests, reviewing and approving the annual work plan and budget, expenditure category reallocation request, and participating in implementation support missions.

**The National Treasury and Planning**

The National Treasury and Planning is the parent ministry ensures that the Project's budget is captured in its development projects and disbursement of exchequer transfers. The ministry reviews and tracks the Project's annual work plan and budget against the set targets and makes the approvals. The parent ministry also oversees the execution of the project coordinating team.

**The Auditor**

The Supreme Audit Institution in Kenya, that is, the Office of the Auditor General, is mandated by the Constitution of Kenya Chapter 12, Part 6, Article 229 which establishes the Office of the Auditor General. Chapter 15, Article 248, Section 3 and Article 249, Section 2 (a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.






The Auditor General is mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament. This facilitates the submission of the audited report to the project's sponsors by 31 December each year.

**Public Private Partnerships Directorate**




This is responsible for the project management and coordination functions. The PPPD comprises of the Project Coordinator and a team of Technical Officers. The PPPD is also supported by other administrative staff.

These key staff, who form the project coordinating team that is involved in the day-to-day management of the project and its implementation are:

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Names	Title designation	Key qualification	Responsibilities
 Mr. Christopher Kirigua, MBS	Director General,PPP	<ul style="list-style-type: none"> <li>• Bachelor of Science BS Accounting and Finance</li> <li>• Harvard Kennedy School Senior Executive Learning Program on PPPs and Project Finance</li> </ul>	Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation.
 Mr. Samwel O. Onyango	Assistant Accountant General	<ul style="list-style-type: none"> <li>• MBA Finance</li> <li>• BCom Finance</li> <li>• CPA (K)</li> </ul>	Oversee all the PPPD Financial Management Matters.
 Mr. Wycliffe Paul Ondieki	Monitoring and Evaluation Expert	<ul style="list-style-type: none"> <li>• Master of Education (Educational Psychology)</li> <li>• Bachelor of Education (Mathematics &amp; B.Studies)</li> </ul>	Establish & oversee implementation of the Monitoring & Evaluation Function & System for the Project
 Mr. Kennedy Onyonyi	Head of Capacity Development	<ul style="list-style-type: none"> <li>• Masters in International Relations.</li> <li>• Postgraduate Diploma in Public Relations. BCOM</li> </ul>	In charge of PPPD Capacity Building.
 Edwin Ombaka	Principal Internal Auditor	<ul style="list-style-type: none"> <li>• MBA Finance</li> <li>• BCOM Accounting</li> <li>• CPA(K)</li> <li>• CISA</li> <li>• ISACA</li> <li>• IIA</li> </ul>	Oversee Internal Audit Functions

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 Edgar Kamara	Financial Modeler	<ul style="list-style-type: none"> <li>• Bachelor of Economics</li> <li>• Masters in Finance and Investment</li> </ul>	In Charge of project origination, structuring and financial modeling.
 Paul J. Oyier	Communication Expert	<ul style="list-style-type: none"> <li>• Masters of Art in Communication</li> <li>• Bachelor of Arts in Journalism.</li> </ul>	In charge of communication within PPP Directorate.
 Ms. Neala Wanjala	Legal Officer	<ul style="list-style-type: none"> <li>• Bachelor of Laws</li> </ul>	In Charge of Legal Matters at PPP Directorate.
 Ms. Violet T. Wanyama	Principal Accountant	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration</li> <li>• Masters in Corporate Management</li> <li>• CPA (K), SLDP</li> </ul>	Oversees all Accounting Matters at PPP Directorate.
 Ms. Danae Nandwa Ottaro	Procurement Specialist	<ul style="list-style-type: none"> <li>• Bachelor of Commerce</li> <li>• (Business Administration)</li> <li>• Graduate Diploma in Purchasing &amp; Supply (CIPS, UK)</li> </ul>	In Charge of Procurement Management at PPP Directorate

**2.7 Funding summary**

The Project is for duration of 11 years from December 2012 to June 2024 with an approved budget of US\$ 40 Million equivalent to Kshs 4.0 billion as highlighted in the table below:

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**Project information and overall performance (continued)**

Below is the funding summary

**A. Source of Funds**

Source of funds	Donor Commitment		Amount received to date – (30 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor currency (USD)	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Loan</b>						
International Development Association -IDA	40.00 Million	4.00 Billion	35.916 Million	3.482 Billion	4.084 Million	0.518 Billion
<b>Total</b>	<b>40.00 Million</b>	<b>4.00 Billion</b>	<b>35.916 Million</b>	<b>3.482 Billion</b>	<b>4.084 Million</b>	<b>0.518 Billion</b>

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**Project information and overall performance (continued)**

**B. Application of Funds**

Application of funds	Amount received to date		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30 <sup>th</sup> June,2023)	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>3 Loan</b>						
International Development Association -IDA	35.916 Million	3.482 Billion	31.832 Million	3,350,006,484.90	4.084 Million	245,473,685.10
<b>Total</b>	<b>35.916 Million</b>	<b>3.482 Billion</b>	<b>31.832 Million</b>	<b>3,350,006,484.90</b>	<b>4.084 Million</b>	<b>245,473,685.10</b>

**Infrastructure Finance Public Private Partnerships (IFPPP) Project  
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**Project information and overall performance (continued)**

**4 Summary of Overall Project Performance:**

- i) Budget performance against actual amounts for current year and for cumulative to-date,

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	KSh.	KSh.	KSh.	KSh.	KSh.	%
<b>RECEIPTS</b>						
IDA Loan	94,360,000	(54,000,000)	40,360,000	-	40,360,000	0%
						0%
<b>TOTAL RECEIPTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>	<b>-</b>	<b>40,360,000</b>	<b>0%</b>
<b>PAYMENTS</b>						
Compensation of employees	11,422,493	-	11,422,493	11,422,493	-	100%
Purchase of goods & services	82,882,427	(54,000,000)	28,882,427	22,205,122	6,677,305	77%
Social Security Benefits	55,080	-	55,080	56,160	(1,080)	102%
<b>TOTAL PAYMENTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>	<b>33,683,775</b>	<b>6,676,225</b>	<b>83%</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			<b>-</b>	<b>(33,683,775)</b>	<b>33,683,775</b>	

- ii) Physical progress based on outputs, outcomes, and impacts since project commencement (this is provided under section 3 below)
- iii) Indicate the absorption rate for each year since the commencement of the project.
- iv) List the implementation challenges and recommended next steps.
- a) Delays in recruitment of staff
  - b) Delays in procurement processes

**2.9 Summary of Project Compliance:**

- i) Include significant cases of non-compliance with applicable laws and regulations eg treasury circulars on project investment management, PFM Act 2012 and Kenya vision 2030 flagship projects, and essential external financing agreements/covenants,
- ii) Include consequences suffered on account of non-compliance or likely to be suffered.
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.

### 3. Statement of Performance against Project's Predetermined Objectives

#### Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *project's agreement/ plan* are:

**Overall Objective-** to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.

**Specific Objective-** to improve the enabling environment to generate a pipeline of bankable PPP projects.

#### Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

Below we provide the progress on attaining the stated objectives:

The IFPPP project achieved the objective level performance targets by end 2016. Thus, the performance reported in the table below is as was in 2016. The tracking of the outcome indicators stopped in 2016 and focus shifted to tracking the outcomes of the IFPPP-Additional Financing

Project	Objective	Outcome	Indicator	Performance
Infrastructure Finance Public Private Partnerships (IFPPP)	<b>Overall Objective-</b> to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an	The outcomes are captured under the column titled <i>Performance</i>	5 <i>Indicator</i> Expression Interests (EOIs) <sup>1</sup> issued prospective sponsors for three targeted PPP transactions.  <i>End Target-</i> 6 EOIs by end of Project.	<i>1-</i> <i>Performance for Indicator 1 – 9</i> EOIs were issued by end of 2016. The EOIs were for the following projects: Phase 1- Roads 10,000 Annuity programme, Mombasa Port Development

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Project	Objective	Outcome	Indicator	Performance
	<p>extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p><b>Specific Objective-</b> to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>		<p>6 <b>Indicator 2-</b> PPP Regulations associated with the new Law agreed to with the National Treasury.</p> <p><i>End Target-</i> Yes</p> <p>7 <b>Indicator 3-</b> PPP Fiscal Commitment and Contingent Liability Framework operationalized as measured by: upstream Debt Management Department (DMD) due diligence on prospective (feasibility stage) transactions completed in line with Law.</p> <p><i>End Target-</i> Yes</p> <p>(iv) <b>Indicator 4</b> Regular issuance of Government benchmark bonds in medium and long-term maturities up to 7/10-year tenures.</p> <p><i>End Target-</i> At least one issue by maturity bucket per year and minimum size of benchmark issue.</p>	<p>Project (MPDP)-2<sup>nd</sup> Container Terminal, 800 MW LNG Power Plant Dongo Kundu, 105 MW Menengai Phase 1(3 EOIs), Kenyatta University Student Hostels, Civil Servants Housing project, Multi-level Car Park in Nairobi CBD.</p> <p><b>Performance for Indicator 2 – Yes</b></p> <p>The National PPP Regulations- these were gazetted in December 2014 and submitted to the Parliamentary Committee.</p> <p><b>Performance for Indicator 3 – Yes</b></p> <p>The FCCL framework was approved by the PPP Committee on 6<sup>th</sup> June 2018. FCCL assessments had been done for 14 projects (includes 5 mover projects) by end 2016.</p> <p><b>Performance for Indicator 4 – The</b> Government issued the following bonds during the</p>

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Project	Objective	Outcome	Indicator	Performance
				period 2014-2017; Two 1yr bonds, Six 2yr bonds, Three 5yr, One 7yr, Two 9yr, Six 10yr, Three 12yr, Two 15yr.
			<p><b>COMPONENT 1<sup>2</sup></b></p> <p><b>COMPONENT 2</b></p> <p>8 <b>Indicator 1-</b> Five Feasibility Studies<sup>3</sup> completed and submission by contracting authorities to the PPPC (PPP Committee) acceptable to the Association, including Safeguards.</p> <p><i>End Target- 5</i></p> <p>9 <b>Indicator 2-</b> Line Ministries and Agencies “Nodes” for First Mover Transactions established and operational.</p> <p><i>End Target- 2</i></p> <p><b>COMPONENT 3</b></p> <p>10 <b>Indicator 1-</b> PPP Fiscal Commitment and Contingent Liability Framework, including Disclosure Procedures approved by the Cabinet Secretary,</p>	<p><b>COMPONENT 2</b></p> <p><b>Performance for Indicator 1- 11</b></p> <p>The PPP Committee had approved a total of 11 Feasibility Studies as at end of FY 2016. The approved feasibility studies were for the following projects: Kenyatta University Student Hostels, Road Annuity (phase 1), Nairobi-Nakuru Mau Summit Highway, O&amp;M of Nairobi Southern By Pass, O&amp;M of Nairobi-Thika Road, Dualling of Nairobi-Mombasa Highway, 460MW Menengai Phase I, Mombasa Port Development Project (MPDP) – 2<sup>nd</sup> Container Terminal Phase II &amp; III, 800MW Liquefied Natural Gas (LNG) Power</p>

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Project	Objective	Outcome	Indicator	Performance
			National Treasury. <i>End Target- Yes</i>	Plant at Dongo Kundu, Civil Servants Housing Project, Multi-Storey Car Park and Commercial Facility in Nairobi CBD.  <b><i>Performance Indicator 2- Yes</i></b>  A total of 70 PPP Nodes have been established and operational in various government Ministries and Agencies  <b><i>Performance for Indicator 3-</i></b> The PPP Committee approved the FCCL framework in June 2018. The Disclosure Framework was approved by the PPC on 17 <sup>th</sup> May, 2018. The FCCLs are disclosed by the annual debt report prepared by the PDMO.

#### **4. Environmental & Sustainability Report**

The main mandate of the IFPPP project is to increase private sector investments in Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time.

##### **1. Sustainability strategy and profile**

The IFPPP benefits from the sound legal and regulatory reform and well-established institutional capacity, helping foster private sector investment in a more efficient and sustainable manner and thus bridging the country's infrastructure gap.

Currently, a big proportion of PPP program work is supported with funding of an IDA credit under the IFPPP and IFPPP-AF. The two projects are closing in June 2024. The two projects were restructured within FY 2022/23, wherein the project funding balances for the non-operations components of the projects will be disbursed to the Project Facilitation Fund (PFF), thus facilitating use of the balances for the PP program, beyond the project closure date.

Further, the PFF is fully operational thus allowing the PPP Directorate to crowd in additional resources from the budget of National Treasury, other Development Partners, success fees from successful bidders, tariffs, levies, appraisals fees for Privately Initiated Proposals, etc.

The Directorate continues to engage with a number of strategic partners to explore opportunities for strategic and technical assistance for the program and also complementary synergies in PPP program work. These engagements are yielded positive results, highlights which are listed below;

<b>Strategic Partner</b>	<b>PPP Program Activities Supported</b>
1. Public – Private Infrastructure Advisory Facility (PPIAF)	<ul style="list-style-type: none"> <li>○ Development of PPP Regulations</li> <li>○ Development of PPP Directorate Staffing and Remuneration Structure</li> <li>○ Development of PPPD Communications and Stakeholder Engagement Strategy and PPP Marketing Communications Strategy</li> </ul>
2. Climate Resilience & Environmental Sustainability Technical (CREST) advisory	<ul style="list-style-type: none"> <li>○ Development of Framework for Facilitating Low Carbon and Climate Resilient Infrastructure PPPs in Kenya</li> </ul>
3. Private Infrastructure Development Group (PIDG)	<ul style="list-style-type: none"> <li>○ Transaction Advisory for Smart Street Lighting Project</li> <li>○ Transaction Advisory University Of Nairobi Purpose Built Student Accommodation Project</li> </ul>
4. United States International Development Agency (USAID)	<ul style="list-style-type: none"> <li>○ Transaction Advisory for Meru and Greater KORA Conservation Project</li> </ul>

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<b>Strategic Partner</b>	<b>PPP Program Activities Supported</b>
5. Africa Legal Support Facility (ALSF)	<ul style="list-style-type: none"> <li>○ Review of Government of Government Support Measures policy (2018)</li> <li>○ Development of template government support documents in Water, health and Toll Roads sectors</li> <li>○ Development of toolkit documentation in Water, health and Toll Roads sectors</li> <li>○ Capacity building on development of Special Economic Zone (SEZ) projects, including review of SEZ frameworks</li> <li>○ Technical review and development of templates and forms for the PFF</li> <li>○ Supplementary Technical Advisory for 2<sup>nd</sup> Nyali Project</li> </ul>
6. National Treasury, Public Finance Management Reforms (PFMR) program	<ul style="list-style-type: none"> <li>○ Sensitization on PPP Legal and Institutional Framework</li> <li>○ Development of PPP Guidelines and practise notes</li> </ul>
7. Japanese International Cooperation Agency (JICA)	<ul style="list-style-type: none"> <li>○ Retained services for PPP Advisor for the PPP Directorate</li> </ul>
8. Korean Ministry of Lands, Infrastructure and Transport	<ul style="list-style-type: none"> <li>○ Sponsorship of 1 staff for Masters Program in Infrastructure</li> </ul>
9. Africa Infrastructure Fellowship Program	<ul style="list-style-type: none"> <li>○ Sponsorship of 3 staff for short courses under the Fellowship</li> </ul>

## **2. Environmental performance**

All PPP projects are subjected to environmental and social assessments, prior to implementation. This ensures that appropriate environmental impact mitigation measures are integrated during the implementation phase of the project. Further, the Directorate is currently developing a Framework for facilitating Low Carbon and Climate Resilient Infrastructure PPPs in Kenya.

## **3. Employee welfare**

The Staff establishment and recruitment is as per the Project Appraisal Document and the Project Implementation Manual. (Ref: component 3: Support for Program Management in non-financials section).

#### **4. Market place practices-**

##### **a) Responsible Supply chain and supplier relations-**

PPP Directorate-IFPPP, sources goods and services from across the country and around the world to meet the requirements of the Directorate. As such, we aim in our procurement to be transparent, accountable and fair, and to provide value for money in meeting the Directorate needs.

Suppliers are welcome to bid for any contracts that they believe are suitable; the contact person is advertised in each case.

PPP Directorate-IFPPP, is an equal opportunity organization and promotes equal opportunity throughout the unit. All tenders are open to suitably qualified parties.

All procurement entities as well as bidders and service providers, i.e., suppliers, contractors, and consultants have to observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 of the Procurement Guidelines and paragraph 1.23 and 1.24 of the Consultants Guidelines, in addition to the relevant Articles of the Kenya Public Procurement Laws which refer to corrupt practices.

##### **b) Responsible ethical practices**

All complaints and reports on corruption or alleged corrupt dealings must be reported to the Ethics and Anti-Corruption Commission (EACC) in accordance with the Anti-Corruption and Economics Crimes Act, 2003 and the Ethics and Anti-Corruption Commission Act, 2011. Information can be provided to EACC in writing, by telephone or by presenting it personally to the Commission's Report Centre at Integrity Centre. Alternatively, information can also be relayed to the World Bank Integrity Vice Presidency office (INT) which is responsible for the investigation of internal and external allegations of misconduct and fraud. The department is also expected to design preventive measures that can protect Bank Group resources - which are, for the most part, public funds – from corruption and abuse.

Procurement complaints are handled in accordance with the procedures prescribed in the World Bank Procurement and Consulting Services Guidelines (2011 or as amended). For complaints arising from contracts procured using the Public Procurement and Assets Disposal Act (PPDA), 2015, they would be handled in accordance with the provisions stipulated in the PPDA. Public procurement in Kenya is governed by an Act of parliament and public procurement regulations that lay down rules and regulations to be followed by all those involved in it.

The Law and the Regulations are: -

- The Public Procurement and Assets Disposal Act (PPDA), 2015.
- The Public Procurement and Assets Disposal Regulations, 2020. The Regulations are meant to assist in the application and implementation of the PPDA.

**c) Regulatory impact assessment**

In order to get the broadest possible interest from eligible bidders and consultants, a General Procurement Notice (GPN) are prepared by the project and published in United Nations Development Business online (UNDB online), on the Bank's external website and in at least 1 national newspaper, and a technical or financial magazine of wide international circulation ( as the case may be if bidding is required from International parties), as well as a widely used electronic portal with free national and international access; after the project is approved by the Bank Board, and/or before Project effectiveness. The borrower and PPP Directorate-IFPPP keep a list of received answers from potential bidders interested in the contracts.

Specific Procurement Notices for all goods and works to be procured under International Competitive Bidding (ICB) and Expressions of Interest for all consulting services to cost the equivalent of US\$200,000 and above are also published in the United Nations Development Business online (UNDB online), on the Bank's external website, as well as a widely used electronic portal with free national and international access; and a technical or financial magazine of wide international circulation in addition to the widely circulated national newspapers. For works /goods using National Competitive Bidding (NCB), the Specific Procurement Notice (SPN) is published in widely circulated national newspapers in the country. The National Competitive Bidding (NCB) and other post review contracts are published in a widely used website or electronic portal with free national and international access within two weeks of the award decision and in the same format as in the preceding paragraph.

## **5. Community Engagements**

*Give evidence of community engagements including charitable giving (cash & material), community social investment and any other forms of community engagements.*

The IFPPP does not have funds provision for community engagements/CSR. However, the IFPPP does support some of the Government activities done during the construction and implementation of PPP projects. Such activities include field monitoring on delivery of the project services, including compliance to environmental and social requirements for the project. The following are highlights of some of the community engagements undertaken in some of the PPP projects currently in implementation;

### **The Nairobi Expressway-**

- The Project Company provided free rescue services for vehicle breakdowns and carried out a total of 756 free roadside assistance cases as of May 30, 2023.
- Expressway as a Case Study- The project is now a learning case study and during the reporting period, it hosted University of Nairobi 3<sup>rd</sup> Year Students of the School of Civil Engineering, as well as PPP Students from Lean Africa and the members of the Association of Consulting Engineers of Kenya (ACEK).

## **5. Statement of Project Management responsibilities**

The **Principal Secretary** for the National Treasury and the **Project Coordinator** for Infrastructure Finance and Public Private Partnerships (IFPPP) Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the year ended June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The **Principal Secretary** for the National Treasury and the **Project Coordinator** for Infrastructure Finance and Public Private Partnerships (IFPPP) Project accepts responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the National Treasury and the Project Coordinator for Infrastructure Finance and Public Private Partnerships (IFPPP) Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary for the National Treasury and the Project Coordinator for Infrastructure Finance and Public Private Partnerships (IFPPP) Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The **Principal Secretary** for the National Treasury and the **Project Coordinator** for Infrastructure Finance and Public Private Partnerships (IFPPP) Project confirm that the Project has complied fully

***Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023***

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with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

***Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023***

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**Approval of the Project Financial Statements**

The Project financial statements were approved by the *Principal Secretary* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (IFPPP) on 30<sup>th</sup> September 2023



.....  
**Dr. Chris Kiptoo, CBS  
Principal Secretary/NT**



.....  
**Christopher Kirigua, MBS  
Project Coordinator  
Director General/PPPD**



.....  
**CPA Samwel O. Onyango  
Assistant Accountant General  
ICPAK Member No:4629**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT - IDA CREDIT NO.5157-KE FOR THE YEAR ENDED 30 JUNE, 2023 – THE NATIONAL TREASURY**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Infrastructure Finance and Public Private Partnerships Project set out on pages 1 to 20, which comprise of the

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*Report of the Auditor-General on Infrastructure Finance and Public Private Partnerships Project - IDA Credit No.5157-KE for the year ended 30 June, 2023 – The National Treasury*

statement of financial assets as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Infrastructure Finance and Public Private Partnerships Project as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.5157-KE dated 5 December, 2012 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Infrastructure Finance and Public Private Partnerships Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of Comparison of Budget and Actual Amounts reflects final receipts budget and actual on comparable basis of Kshs.40,360,000 and nil respectively resulting to an under-funding of Kshs.40,360,000 or 100% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.40,360,000 and Kshs.33,683,775 respectively resulting to an under-expenditure of Kshs.6,676,225 or 17% of the budget.

The under-funding and under-expenditure affected the planned activities and impacted negatively on service delivery to the public.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 October, 2023

**Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

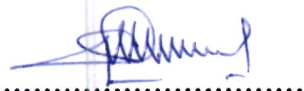
**7. Statement of Receipts and Payments for the year ended 30th June 2023.**

	Notes	2022/2023			2021/2022			Cumulative to-date (from inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties	Total	
		KSh.	KSh.	KSh.	KSh.	KSh.	KSh.	Kshs
<b>RECEIPTS</b>								
Loan from external development partners	1	-	-	-	126,024,642	-	126,024,642	3,595,480,170
Miscellaneous receipts	2	-	-	-	-	-	-	17,998,548.00
		-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>126,024,642</b>	<b>-</b>	<b>126,024,642</b>	<b>3,613,478,718.00</b>
<b>PAYMENTS</b>								
Compensation of employees	3	11,422,493	-	11,422,493	11,523,871	-	11,523,871	449,522,884.00
Purchase of goods and Services	4	22,205,122	-	22,205,122	32,900,656	-	32,900,656	619,614,405.90
Social Security Benefits	5	56,160	-	56,160	55,080	-	55,080	111,240.00
Other Operating expenses							-	2,280,757,955.00
Advance to IFPPP AF					20,682,665		20,682,665	20,682,665.00
<b>TOTAL PAYMENTS</b>		<b>33,683,775</b>		<b>33,683,775</b>	<b>65,162,272</b>	<b>-</b>	<b>65,162,272</b>	<b>3,370,689,149.90</b>
<b>SURPLUS/(DEFICIT ) FOR THE YEAR</b>		<b>(33,683,775)</b>	<b>-</b>	<b>(33,683,775)</b>	<b>60,862,370</b>	<b>-</b>	<b>60,862,370</b>	<b>242,789,568.10</b>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

  
.....  
**Dr. Chris Kiptoo, CBS**  
Principal Secretary/NT

  
.....  
**Christopher Kirigua, MBS**  
Project Coordinator  
Director General/PPPD

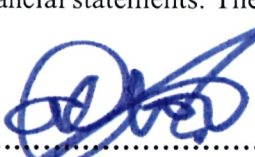
  
.....  
**CPA Samwel O. Onyango**  
Assistant Accountant General  
ICPAK Member No:4629

*Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023*


8. Statement of Financial Assets as at 30<sup>th</sup> June 2023

	Notes	2022/23 KSh.	2021/22 KSh.
<b>FINANCIAL ASSETS</b>			
<b>Cash Equivalents</b>			
Bank Balances	6A	263,472,235	276,473,343
<b>Total cash and Cash Equivalents</b>		<b>263,472,235</b>	<b>276,473,343</b>
<b>TOTAL FINANCIAL ASSETS</b>			
<b>REPRESENTED BY:</b>			
Fund balance b/fwd	8	276,473,344	215,610,974
Surplus/(Deficit) for the year		(33,683,775)	60,862,370
Refund from IFPPP- AF	7	20,682,665	
<b>NET FINANCIAL POSITION</b>		<b>263,472,234</b>	<b>276,473,344</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/2023 and signed by:

  
.....  
Dr. Chris Kiptoo, CBS  
Principal Secretary/NT

  
.....  
Christopher Kirigua, MBS  
Project Coordinator  
Director General/PPPD

  
.....  
CPA Samwel O. Onyango  
Assistant Accountant General  
ICPAK Member No:4629


**Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

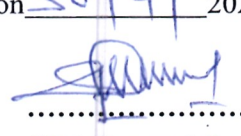
**9. Statement of Cashflow for the year ended 30<sup>th</sup> June 2023**

Description	Note	2022/23	2021/2022
		KSh.	KSh.
<b>Cashflow from Operating activities</b>			
<b>Receipts for operating activities</b>			
Miscellaneous receipts		-	-
<b>Total Receipts</b>		-	-
<b>Payments</b>			
Compensation of employees	3	(11,422,493)	(11,523,871)
Purchase of goods and services	4	(22,205,122)	(32,900,656)
Social Security Benefits	5	(56,160)	(55,080)
Advance to IFPPP -AF			(20,682,665)
<b>Total Payments</b>		<b>(33,683,775)</b>	<b>(65,162,272)</b>
<b>Adjusted for :</b>			
<b>Adjustments during the year</b>			
Decrease/ (Increase) in Receivables	7	20,682,665	-
<b>Net cash flow from operating activities</b>			<b>(65,162,272)</b>
<b>Cashflow from investing activities</b>			
<b>Net cash flows from Investing Activities</b>			<b>(65,162,272)</b>
<b>Cashflow from financing activities</b>			
Proceeds from Foreign Borrowings		-	126,024,642
<b>Net cashflow from financing activities</b>		-	<b>126,024,642</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		-	<b>60,862,370</b>
Cash and Cash Equivalent at the BEGINNING of the year		276,473,343	215,610,974
Cash and Cash Equivalent at the END of the year		263,472,233	276,473,343

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2023 and signed by:

  
.....  
Dr. Chris Kiptoo, CBS  
Principal Secretary/NT

  
.....  
Christopher Kirigua, MBS  
Project Coordinator  
Director General/PPPD

  
.....  
CPA Samwel O. Onyango  
Assistant Accountant General  
ICPAK Member No:4629

**Infrastructure Finance Public Private Partnerships (IFPPP) Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**


**10. Statement of Comparison of Budget and Actual amounts for year ended 30<sup>th</sup> June 2023**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	KSh.	KSh.	KSh.	KSh.	KSh.	%
<b>RECEIPTS</b>						
IDA Loan	94,360,000	(54,000,000)	40,360,000	-	40,360,000	0%
						0%
<b>TOTAL RECEIPTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>	<b>-</b>	<b>40,360,000</b>	<b>0%</b>
<b>PAYMENTS</b>						
Compensation of employees	11,422,493	-	11,422,493	11,422,493	-	100%
Purchase of goods & services	82,882,427	(54,000,000)	28,882,427	22,205,122	6,677,305	77%
Social Security Benefits	55,080	-	55,080	56,160	1,080	100%
<b>TOTAL PAYMENTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>	<b>33,683,775</b>	<b>6,676,225</b>	
<b>SURPLUS/( DEFICIT) FOR THE YEAR</b>				<b>- (33,683,775)</b>	<b>33,683,775</b>	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.

  
 .....  
**Dr. Chris Kiptoo, CBS**  
**Principal Secretary/NT**

  
 .....  
**Christopher Kirigua, MBS**  
**Project Coordinator**  
**Director General/PPPD**

  
 .....  
**CPA Samwel O .Onyango**  
**Assistant Accountant General**  
**ICPAK Member No:4629**

## **11. Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

### **b) Reporting entity**

The financial statements are for Infrastructure Finance Public Private Partnership project under the The National Treasury. The financial statements are for the reporting entity as required by Section 81 of the PFM Act, 2012.

### **c) Reporting currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

### **d) Recognition of receipts**

IFPPP recognises all receipts from the various sources when the event occurs, and the related cash has been received.

### **i) Transfers from the Exchequer**

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**Significant Accounting Policies (continued)**

**ii) External Assistance**

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

**iii) Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time associated cash is received.

**iv) Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

**v) Proceeds from borrowing.**

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

**vi) Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

**Significant Accounting Policies (continued)**

**e) Recognition of payments**

The Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.

**i) Compensation to employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

**ii) Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

**iii) Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incur and paid for.

**iv) Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

**Significant Accounting Policies (continued)**

**v) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**f) In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Significant Accounting Policies (Continued)**

**h) Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

**i) Imprests and Advances**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**j) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

**Significant Accounting Policies (Continued)**

**k) Contingent Assets**

IFPPP does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of IFPPP in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance'. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**m) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements.*

**Significant Accounting Policies (Continued)**

**n) Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

**o) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

**p) Comparative figures**

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

**q) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023

**r) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note 5 of these financial statements.

**12. Notes to the Financial Statements**

**1. Loan from External Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	Period ended 30 <sup>th</sup> June,2023					Period ended 30 <sup>th</sup> June 2022	Cumulative to date
Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment *	Total amount in Kshs	Total amount in Kshs	
		USD)	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from Multilateral Donors (International Organizations)							
International Development Association (IDA)						126,024,642	3.482 Billion
<b>Total</b>						<b>126,024,642</b>	<b>3.482 Billion</b>

**2 Miscellaneous receipts**

Description	2022/2023			2021/2022	Cumulative to- date (from inception) Kshs
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts Kshs	
Other receipts not classified elsewhere*					17,998,548
<b>Total</b>					<b>17,998,548</b>

*Infrastructure Finance Public Private Partnerships (IFPPP) Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Notes to the Financial Statements (Continued)**

**3. Compensation to Employees**

Name	2022/23		2021/22		Cumulative to date
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	Total Payments KShs.	
Basic Salary of Contracted Staff	10,967,940	-	10,967,940	11,096,700	
Pension and other social security contributions	211,092	-	211,092	211,092	
Compulsory national social security schemes	51,840	-	76,800	55,080	
Compulsory national health insurance schemes	76,800	-	51,840	78,300	
Basic wages for temporary employees	114,821	-	114,821	82,699	
<b>Total</b>	<b>11,422,493</b>	<b>-</b>	<b>11,422,493</b>	<b>11,523,871</b>	<b>449,522,874</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**4. Purchase of Goods and Services**

	2022/23		2021/2022		Cumulative to date
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	Total Payments KShs.	
Utilities, supplies and services	400,000	-	400,000	206,332	
Communication, supplies and services	2,426,688	-	2,426,688	1,536,464	
Domestic travel and subsistence	8,853,516	-	8,853,516	665,390	
Foreign travel and subsistence	4,461,549	-	4,461,549	773,995	
Training payments	-	-	-	622,990	
Other Operating payments	5,764,685	-	5,764,685	28,671,841	
Consulting services	-	-	-	-	
Printing & Stationery	13,850		13,850	262,505	
Fuel and Oils	137,516		137,516	106,139	
Routine Maintenance - Motor Vehicles	147,318		147,318	55,000	
<b>Total</b>	<b>22,205,122</b>	<b>-</b>	<b>22,205,122</b>	<b>32,900,656</b>	<b>619,614,406</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**5. Social Security Benefits**

	2022/23		2021/2022	
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	Total Payments KShs.
Employer social benefits in cash and in kind	56,160	-	56,160	55,080
<b>Total</b>	<b>56,160</b>	<b>-</b>	<b>56,160</b>	<b>55,080</b>

**6. Cash and Cash equivalents**

	2022/23 KSh.	2021/2022 KSh.
KCB Bank Account No.1138915874	263,472,235	276,473,343
Cash in hand	-	-
Cash equivalents (short -term deposits	-	-
<b>Total</b>	<b>263,472,235</b>	<b>276,473,343</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**6A Bank Accounts**

**Project Bank Accounts**

<b>Details</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh.</b>	<b>Ksh.</b>
<b>Foreign Currency Accounts</b>		
<b>Local Currency Accounts</b>		
KCB Bank Account No. 1138915874	263,472,234	276,473,343
<b>Total local currency balances</b>	<b>263,472,234</b>	<b>276,473,343</b>
<b>Total bank account balances</b>	<b>263,472,234</b>	<b>276,473,343</b>

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2023 are not included in the Statement of Financial Assets drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the statement of Receipts and Payments

**Special Deposit Accounts Movement Schedule**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
(i) Foreign Currency Account A/C Name [KCB IFPPP- Account Number 1136321365]		
Opening Balance	-	984,546
Total Amount deposited in the account	-	94,432
Total Amount withdrawn (as per Statement of Receipts & Payments)	-	1,078,978
<b>Closing balance as per SDA bank account reconciliation attached</b>	<b>-</b>	<b>-</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**7. Advance to IFPPP-AF**

	Period ended June 30,2022	Period Refunded	
Description	KSh.		
Reimbursement due in Nov,2021	6,410,665.00	4th May,2023	
Reimbursement due in October, 2022	7,136,000.00	15th July,2022	
Reimbursement due in December, 2022	7,136,000.00	15th July,2022	
<b>Total Refundable from CBK Account Number 1000409018</b>	<b>20,682,665.00</b>		

**8. Fund balance broughtforward**

	2022/23 KSh.	2021/22 KSh.
Bank Accounts	263,472,235	276,473,344
Cash in hands	-	-
Cash equivalent (short term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b>263,472,235</b>	<b>276,473,344</b>

**14. Other important disclosures**

**External Assistance**

	Period ended 30th June 2023	Period ended 30th June,2022
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	126,024,642
External assistance received as grants	-	-
External assistance received in kind -as payment to third parties	-	-
<b>Total</b>	-	<b>126,024,642</b>

**a. External Assistance relating to loans and grants**

	Period ended 30th June 2023	Period ended 30th June,2022
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	126,024,642
External assistance received as grants	-	-
<b>Total</b>	-	<b>126,024,642</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**b. Undrawn external assistance**

	Period ended 30th June 2023	Period ended 30th June,2022
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Undrawn External assistance received - loans	-	126,024,642
Undrawn External assistance received -grants	-	-
<b>Total</b>	-	<b>126,024,642</b>

**c. Classes of providers of external  
assistance**

	Period ended 30th June 2023	Period ended 30th June,2022
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors	-	126,024,642
<b>Total</b>	-	<b>126,024,642</b>

**Infrastructure Finance Public Private Partnerships (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**13. Annexes**

**Annex 1: Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Low absorption rate	Measures put in place to boost future absorption of funds	Resolved	Continuous

.....  
Dr. Chris Kiptoo, CBS  
Principal Secretary/NT

.....  
Christopher Kirigua, MBS  
Project Coordinator  
Director General/PPPD

**Infrastructure Finance Public Private Partnerships Project (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on variance
	a	b	c=a+b	d	e=c-d	f=d/c%	
	KSh.	KSh.	KSh.	KSh.	KSh.	%	
<b>RECEIPTS</b>							
IDA Loan	94,360,000	(54,000,000)	40,360,000		40,360,000	0%	
<b>TOTAL RECEIPTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>		<b>40,360,000</b>	<b>0%</b>	
<b>PAYMENTS</b>							
Compensation of employees	11,422,493		11,422,493	11,422,493		100%	
Purchase of goods & services	82,882,427	(54,000,000)	28,882,427	22,205,122	6,677,305	77%	Challenges encountered in procurement processes.
Social Security Benefits	55,080		55,080	56,160		102%	One month deduction
<b>TOTAL PAYMENTS</b>	<b>94,360,000</b>	<b>(54,000,000)</b>	<b>40,360,000</b>	<b>33,683,775</b>	<b>6,677,305</b>		
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>				<b>(33,683,775)</b>	<b>33,682,695</b>		

**Infrastructure Finance Public Private Partnerships Project (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 3: Summary of Fixed Assets Register**

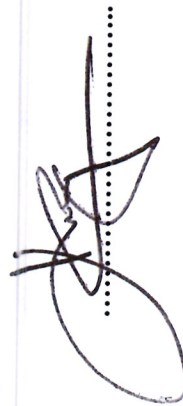
Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2022/2023	* Purchases/ Additions in the Year (KShs) 2022/20 23	** Disposals in the Year (KShs) 2022/2023	Transfers in/(out) Kshs 2022/2023	Closing Cost (KShs) 2022/2023
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Office equipment, furniture and fittings	1,680,517	0	0	0	0	1,680,517
<b>Total</b>	<b>1,680,517</b>					<b>1,680,517</b>

**Infrastructure Finance Public Private Partnerships Project (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**  
**Annex 4, Inter Entity Transfer**

<b>Project Name:</b>		<b>Infrastructure Finance Public Private Partnerships (IFPPP)</b>	
<b>Break down of transfers from The National Treasury</b>			
<b>a. Government Counterpart funding</b>	Bank Statement Date	Amount (Kshs)	N/A
		0	
	<b>Total</b>	<b>0</b>	
<b>B. Direct payments</b>	Bank Statement Date	Amount (Kshs)	N/A
	<b>Total</b>	<b>0</b>	
	<b>Total (A+B+C)</b>	<b>00</b>	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

**Christopher Kirigua, MBS**  
**Project Coordinator**  
**Director General/PPPD**

  
 .....

**George K. Gichuru**  
**Head of Accounting Unit**  
**The National Treasury**  
**ICPAK No.9262**

  
 .....

**Infrastructure Finance Public Private Partnerships Project (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 5: Contingent liability**

	Nature of contingent liability	Remarks
	No contingent liability	

**Annex 6: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	
No Expenditure								

**Annex 7: Reporting Disaster Management Expenditure**

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments
			No expenditure			

**Infrastructure Finance Public Private Partnerships Project (IFPPP)**

**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Results 1 - 1 of 1



Kcb Bank Kenya Limited,  
University Way Branch,  
P.O. Box 7206 - 00300,  
Nairobi, Kenya.  
Tel: +254  
20312389/213701/229227  
Mobile:  
SMS: 22522  
Email: info@kcbgroup.co.ke

1219 CA 41 BRANCHES  
CERTIFICATE OF BALANCE

KCB Bank Limited  
(Incorporated in Kenya)

CERT2323300009

KCB UNIVERSITY WAY

21 AUG 2023

Certified that the balance at the CREDIT OF INFRASTRUCTURE FINANCE AND P P

A/C 1138915874

at the close of business on 30 JUN 2023 Was KES

TWO HUNDRED AND FIFTY FOUR MILLION SEVEN HUNDRED AND SEVENTY FOUR THOUSAND AND SEVENTY THREE CENTS FORTY SEVEN

KES 254,774,073.47

Examined by

Manager Service Quality & Compliance Branch Manager

KCB BANK KENYA LTD.

[www.kcbgroup.com](http://www.kcbgroup.com)

KCB Bank Kenya Limited  
Directors: M. Njiru (Chairman), P. R. Russo, C.S. - National Treasury, S. K. Rono, Ms. N. Ombao



**Infrastructure Finance Public Private Partnerships (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT						
CHEQUE		PAYEE	AMOUNT	CHEQUE	PAYEE	
No.	Date		Shs.	No.	Date	Shs.
EFT	30.06.2023	IFPPP AF Reimbursement	9,074,380.00	04.07.2023		
EFT	30.06.2023	IFPPP AF Reimbursement	25,200.00	05.07.2023		
EFT	30.06.2023	Gitonga Mugambi	643,416.00	06.07.2023		
EFT	30.06.2023	Samuel Aluoch	1,951.00	10.07.2023		
		<b>TOTAL</b>	<b>9,744,947.00</b>			

PREPARED BY: *[Signature]* 12.07.2023

CERTIFIED BY: *[Signature]* 12/07/2023

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

EFT	30.06.2023	Hilton Garden inn comm for VAT	3,484	01.07.2023				
EFT	30.06.2023	Hilton Garden Inn-Conference facility	259,741	13.07.2023				
EFT	30.06.2023	Hilton Garden Inn-Comm for VAT	4,259	01.07.2023				
004354	30.06.2023	Safaricom Limited Internet Fibre June,2023	91,527	01.07.2023				
EFT	30.06.2023	Commissioner of VAT WHT for Internet fibre June,2023	1,606					
EFT	30.06.2023	Safaricom Limited	106,137	01.07.2023				
EFT	30.06.2023	Comm of VAT WHT on Safaricom	1,863	01.07.2023				
EFT	30.06.2023	Safaricom Limited	106,137	01.07.2023				
EFT	30.06.2023	Comm of VAT WHT on Safaricom	1,863	01.07.2023				
EFT	30.06.2023	Michael Ngaru	14,000	01.07.2023				
EFT	30.06.2023	Stephen Maingi	14,000	01.07.2023				
EFT	30.06.2023	Violet Wanyama	28,051.00	01.07.2023				
EFT	30.06.2023	Lucy Wetende	200,000.00	01.07.2023				
		<b>TOTAL</b>	<b>1,046,790.00</b>					

**2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

CHEQUE		PAYEE	AMOUNT	CHEQUE	PAYEE		
No.	Date		Shs.	No.	Date		Shs.
		<b>TOTAL</b>	-				

**3 PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

CHEQUE		PAYEE	AMOUNT	CHEQUE	PAYEE		
No.	Date		Shs.	No.	Date		Shs.
		<b>TOTAL</b>	-				



**Infrastructure Finance Public Private Partnerships (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

REPUBLIC OF KENYA

F.o. 51

Date: 15<sup>th</sup> July, 2021

Report of the Board of Survey on the Cash and Bank Balances of IFPPP  
as at the close of business on 30<sup>th</sup> June 2023

The Board consisting of - (Names and official titles)

CHAIRMAN: Faith Wajigi

MEMBER: Joseph M. Njoroge

MEMBER: Moses M. Njoroge

Assembled at the office of IFPPP Kibera

At (Time) on the 2 P.M. (time) on the 03/07/2023

And the following cash was produced: -

Notes ..... Sh. .... Nil .....

Silver N/A ..... Sh. .... Nil .....

Copper ..... Sh. .... Nil .....

Cheques (as per details on reverse) ..... Sh. .... Nil .....

It was observed that cheques amounting to Sh. .... Nil ..... Cts. .... Nil .....

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the .....

Cash on hand N/A ..... Sh. .... Nil .....

Bank Balance ..... Sh. 263,472,225.47 .....

Sh. ....

The bank certificate of Balance showed a sum of Kshs. 257,704,013.47 (Sh. .... Nil ..... Cts. ....)

Standing to the credit of the account on 30.6.2021 30<sup>th</sup> June 2023

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date 03/07/2023

Faith Wajigi  
Chairman

Joseph M. Njoroge  
Moses M. Njoroge  
Members of the  
GPK (L)

Board

**Infrastructure Finance Public Private Partnerships (IFPPP)  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

Results 1 - 1 of 1 - 47

Run Date: Run Time:  
CENTRAL BANK OF KENYA  
BANKI KUU YA KENYA  
P.O. BOX 60000-0200  
NAIROBI  
STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

PAGE NO. 1

ACCOUNT NUMBER

ACCOUNT TITLE : KCB-PPF INFR. FINANCE & PUB. PRIVAT  
30/06/2023

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL:			0.00	
NO.	Value Date	Reference No	Details	Debit	Credit
1	15/06/2023	FT23166KNPLQ	FUNDING	-13,374.79	0.00
					Balance
					-13374.79
					CLOSING BALANCE :-13374.79

END OF ACCOUNT STATEMENT

Favourites	TAM.E.STMT.OF.ACCT.EPRM	More Options	Find
		View Selection	
Account	equals	∨ 1000172748	
Statement From	equals	∨ 20220701	
Statement To	equals	∨ 20230630	
	TAM.E.STMT.OF.ACCT.EPRM		

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

SPECIAL ACCOUNT STATEMENT		
For period ending	30TH JUNE, 2023	
Account No.	1136321365	
Depository Bank	KENYA COMMERCIAL BANK	
Address	MOI AVENUE	
Related Loan	KCB-PPF INFR.FINANCE	
Credit Agreement	Q821-KE	
Currency	USD	
<u>Account Activity</u>		
Beginning balance of 1ST July, 2022 as per C.B.K. Ledger Account		0.00
<b>Add:</b>		
Total Amount deposited by World Bank		13,374.79
Total Interest earnings if deposited in account	-----	-
Total amount refunded to cover ineligible expenditure	-----	-
<b>Deduct:</b>		
Total amount withdrawn		-
Total service charges if not included above in amount withdrawn	-----	-
Ending balance on 30th June, 2023	-----	13,374.79
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE:	
	DATE	24-07-2023
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE:	
	DATE	28-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

**Infrastructure Finance Public Private Partnerships (IFPPP)**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

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**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIP PROJECT  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.5157-KE  
 Bank Account No.: 1136321365 Held with KCB NAIROBI

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		33,351,295.69
	Less:		
2	Total amount documented		30,442,887.37
3	Outstanding amount to be documented		2,908,408.32
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		-
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		2,908,408.32
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		2,908,408.32

Discrepancy between total appearing on line 3 and 9

-

**Notes:**

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

*Shutina*  
 AUTHORISED REPRESENTATIVE  
 RESOURCE MOBILISATION DEPARTMENT  
 THE NATIONAL TREASURY

DATE: 28-08-2023

**Annex 9: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)